AMENDMENTS TO THE SPECIFICATION:

Please replace the paragraph beginning on page 6, line 8, with the following amended paragraph:

Further, after the calculation of a difference ~~ΔT~~ $\underline{\Delta T}$ between the output level of the notable pixel i and that of a neighboring pixel adjoining said notable pixel i, if the number n of moving-averaged pixels is calculated by the following formula, i.e.,

Please replace the paragraph beginning on page 6, line 13, with the following amended paragraph:

n = A/ (~~ΔT~~ $\underline{\Delta T}$ + B), where A and B are a constant, respectively, in the case where the above-mentioned ~~ΔT~~ $\underline{\Delta T}$ is small, i.e., where a change in gradation between neighboring pixels is small, the number n of the moving-averaged pixels is large. Therefore, the moving-average processing is executed over a broad range. However, even when the change in gradation between the neighboring pixels is small, if the gradation smoothly changes so as to increase or decrease by a value equal to or larger than the threshold value, the reference pixels j in this region are removed from those that are subjected to the moving-average processing. Thus, the number of reference pixels used for the moving-average processing is reduced. Consequently, any noise components contained in the color image signals can be effectively eliminated without degrading the change in gradation.

Please replace the paragraph beginning on page 9, line 13, with the following amended paragraph:

The operation circuit A (G) 19 carries out calculation of a difference ~~⊦T~~ ΔT between the output level of any notable pixel i for $1 \leqq i \leqq N$, where i is a natural number, that is the i th pixel from the top pixel and the output level of any one of the neighboring pixels i+1 or i-1.

Please replace the paragraph beginning on page 9, line 21, with the following amended paragraph:

~~N = A/ (⊦T + B)~~ n = A/ (ΔT + B)

Please replace the paragraph beginning on page 10, line 5, with the following amended paragraph:

The bit selection circuit (G) 22 selects the notable pixel i and the reference pixels j for ~~1-n≦j≦1+n~~ i-n≦j≦i+n, where j is a natural number, that are n pixels respectively located before and after said notable pixel i from all of the G image signals in each one line, which are read into the operation circuit A (G) 19, on the basis of the moving average number n of pixels calculated by the operation circuit A (G) 19, and the bit selection circuit (G) 22 outputs therefrom these selected notable and reference pixels i and j.

Please replace the paragraph beginning on page 12, line 8, with the following amended paragraph:

In the construction of the above-described embodiment, the calculation of the moving-average number n of pixels is executed by using the difference ~~⊦T~~ ΔT between the output level of the notable pixel i and that of the neighboring pixels i+1 or i – 1, the present invention is not intended to limit to this construction, and may alternatively adopt a construction below, to execute the calculation of the moving-average number n of pixels.

Please replace the paragraph beginning on page 12, line 15, with the following amended paragraph:

For example, in the case where $i \leqq N-2$, an average value ~~⊦T~~ΔTa of differences between the output level of the notable pixel i and each of the output levels of the plural neighboring pixels i+1 through the neighboring pixel i+k for $2 \leqq k \leqq N-1$, where k is a natural number, is calculated, and the obtained average value ~~⊦T~~ΔTa may be used to calculate the moving average number n of pixels by the following formula, i.e.,

Please replace the paragraph beginning on page 12, line 22, with the following amended paragraph:

$$n = A / (\cancel{\vdash T}\underline{\Delta T}a + B)$$

Please replace the paragraph beginning on page 12, line 24, with the following amended paragraph:

Also, in the case where $i \geqq 3$, an average value ~~⊦T~~ΔTa of differences between the output level of the notable pixel i and each of the output levels of the plural neighboring pixels i-1 through the neighboring pixel i-k for $2 \leqq k \leqq i-1$, where k is a natural number, is calculated, and the obtained average value ~~⊦T~~ΔTa may be used to calculate the moving average number n of pixels by the following formula, i.e.,

Please replace the paragraph beginning on page 13, line 5, with the following amended paragraph:

$$n = A / (\cancel{\vdash T}\underline{\Delta T}a + B)$$

Please replace the paragraph beginning on page 16, line 22, with the following amended paragraph:

Further, after the calculation of the difference ~~ΔT~~ ΔT of the output level between the notable pixel i and a neighboring pixel adjoining the notable pixel i, when the moving average number n of pixels is calculated by the following formula, i.e.,

Please replace the paragraph beginning on page 16, line 26, with the following amended paragraph:

N = A/ (~~ΔT~~ ΔT + B),

Please replace the paragraph beginning on page 17, line 1, with the following amended paragraph:

where A and B are a constant, respectively, if the above-mentioned difference ~~ΔT~~ ΔT is small, namely, a change in the gradation between the neighboring pixels is small, the moving average number n of pixels becomes large, and accordingly the moving average processing is executed over a broad range of the pixels. However, in the case where the change in gradation is smooth while increasing by an amount equal to or larger than the threshold value Th as is indicated from the 14th through 17th pixels, this region of pixels is omitted from being subjected to the moving average processing. Thus, the number of pixels used for executing the moving average processing is small to thereby prevent the change in gradation from being degraded.